

July 25, 2001

Business Officer
<Name of School>
<Street Address>
<City, State, Zip Code>

Award Number(s)

Dear Business Officer:

Over the past few years, the Department of Education has been working closely with our recipients to reconcile award balances. As part of this effort, we are now working to resolve awards that carry a negative balance. You are receiving this letter because our records show that your school has one or more federal student aid accounts with a negative balance from one or more award years. These include accounts for the Federal Pell Grant as well as the three campus-based programs (Federal Perkins Loan, Federal Work-Study, and Federal Supplemental Educational Opportunity Grant). The specific accounts with negative balances at your school are indicated above by use of the "Award Number." We would appreciate your assistance in resolving these balances. You can view detailed information about these accounts by logging into our GAPS system at <http://gapsweb.ed.gov/gapsweb>.

A negative balance occurs in Pell when the net amount of funds drawn by a school through GAPS for a particular year exceeds the net amount of student level transactions accepted by our systems. This can happen when a school reports a downward adjustment to a student's previously reported Pell disbursement without either (1) reporting that it had spent the released funds on other students, or (2) returning the unspent funds to the Department.

A negative balance exists in one of the campus-based programs when the net amount of funds drawn through GAPS for that program and year exceeds the total expenditures reported on the school's FISAP. This generally happens when a school draws more funds than it actually used and reported, but fails to return the excess funds.

Please review your records regarding possible negative award balances in the above accounts.

- If you determine that funds are owed to the Department, please return those funds within 45 days by either: (1) mailing a check or (2) initiating an electronic refund payment through GAPS.
- If you determine that funds were applied to the wrong grant, please complete a drawdown adjustment through GAPS. This adjustment will move the drawdown to the appropriate award(s), thereby eliminating the negative balance.

(More detailed instructions on how to return or adjust funds in GAPS are enclosed.)

- If you are unable to verify the negative award balance, please notify the Department via e-mail, addressed to *negative.obligations@ed.gov*. Please include your school's name and GAPS payee number, the account(s) the message refers to, and a contact person with a phone number and e-mail address. This notification should not, however, include detailed documentation, analysis, or questions; the Department will contact you to resolve these cases at a later date.

If you have questions, please contact the Department. A list of Education contacts is enclosed.

Thank you for your assistance in resolving these balances.

Sincerely,

Mark Carney
Deputy Chief Financial Officer

Enclosure